

**Senate File 596 - Introduced**

SENATE FILE 596

BY SINCLAIR

**A BILL FOR**

1 An Act exempting from the state sales and use tax the purchase  
2 price and installation costs of emergency generators used  
3 for power outages or natural disasters.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 423.3, Code 2019, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 107. *a.* The sales price from the sale or  
4 rental of an emergency generator.

5 *b.* For purposes of this subsection, "*emergency generator*"  
6 means a stationary combustion device for only residential  
7 property use, such as a reciprocating internal combustion  
8 engine or turbine that serves solely as a secondary source of  
9 mechanical or electrical power whenever the primary energy  
10 supply is disrupted or discontinued during power outages or  
11 natural disasters that are beyond the control of the owner of  
12 the generator.

13 EXPLANATION

14 The inclusion of this explanation does not constitute agreement with  
15 the explanation's substance by the members of the general assembly.

16 This bill exempts from the state sales and use tax the  
17 purchase price of emergency generators used for power outages  
18 or natural disasters.

19 The bill defines "emergency generator" to mean a stationary  
20 combustion device for only residential property use, such as a  
21 reciprocating internal combustion engine or turbine that serves  
22 solely as a secondary source of mechanical or electrical power  
23 whenever the primary energy supply is disrupted or discontinued  
24 during power outages or natural disasters that are beyond the  
25 control of the owner of the generator.

26 By operation of Code section 423.6, an item exempt from the  
27 imposition of the sales tax is also exempt from the use tax  
28 imposed in Code section 423.5.